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**SECOND SUBSTITUTE SENATE BILL 5730**

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**State of Washington**                      **68th Legislature**                      **2023 Regular Session**

**By** Senate Transportation (originally sponsored by Senator Fortunato)

READ FIRST TIME 02/24/23.

1            AN ACT Relating to impounds of vehicles used as residences;  
2 amending RCW 46.55.120, 43.84.092, and 43.84.092; adding a new  
3 section to chapter 46.53 RCW; adding a new section to chapter 46.68  
4 RCW; providing effective dates; and providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6            **Sec. 1.** RCW 46.55.120 and 2017 c 152 s 1 are each amended to  
7 read as follows:

8            (1)(a) Vehicles or other items of personal property registered or  
9 titled with the department that are impounded by registered tow truck  
10 operators pursuant to RCW 46.55.080, 46.55.085, 46.55.113, or  
11 9A.88.140 may be redeemed only by the following persons or entities:

- 12            (i) The legal owner;
- 13            (ii) The registered owner;
- 14            (iii) A person authorized in writing by the registered owner;
- 15            (iv) The vehicle's insurer or a vendor working on behalf of the  
16 vehicle's insurer;

17            (v) A third-party insurer that has a duty to repair or replace  
18 the vehicle, has obtained consent from the registered owner or the  
19 owner's agent to move the vehicle, and has documented that consent in  
20 the insurer's claim file, or a vendor working on behalf of a third-  
21 party insurer that has received such consent; provided, however, that

1 at all times the registered owner must be granted access to and may  
2 reclaim possession of the vehicle. For the purposes of this  
3 subsection, "owner's agent" means the legal owner of the vehicle, a  
4 driver in possession of the vehicle with the registered owner's  
5 permission, or an adult member of the registered owner's family;

6 (vi) A person who is determined and verified by the operator to  
7 have the permission of the registered owner of the vehicle or other  
8 item of personal property registered or titled with the department;

9 (vii) A person who has purchased a vehicle or item of personal  
10 property registered or titled with the department from the registered  
11 owner who produces proof of ownership or written authorization and  
12 signs a receipt therefor; (~~(e)~~)

13 (viii) If (a)(i) through (vii) of this subsection do not apply, a  
14 person, who is known to the registered or legal owner of a motorcycle  
15 or moped, as each are defined in chapter 46.04 RCW, that was towed  
16 from the scene of an accident, may redeem the motorcycle or moped as  
17 a bailment in accordance with RCW 46.55.125 while the registered or  
18 legal owner is admitted as a patient in a hospital due to the  
19 accident; or

20 (ix) A person who is authorized by a court to redeem the vehicle  
21 after an impound hearing or other procedure.

22 (A) A court or administrative hearing officer, for the  
23 jurisdiction in which the vehicle was impounded, may order the  
24 release of the vehicle to any person meeting the criteria in (a)(i)  
25 through (viii) of this subsection after a hearing or legal  
26 proceeding.

27 (B) If ownership of the vehicle or authorization from the legal  
28 or registered owner to use, reside in, or retrieve the vehicle is  
29 disputed, a court or hearing officer may review any additionally  
30 presented information and evidence at a court or administrative  
31 hearing. If a person is unable to present sufficient evidence that  
32 the person meets the criteria in (a)(i) through (viii) of this  
33 subsection, a court, with good cause, may set aside the hearing for  
34 up to 15 business days, unless extenuating circumstances require  
35 additional time, to allow the person an opportunity to file  
36 appropriate ownership paperwork with the department or to obtain  
37 written authorization from the legal or registered owner to redeem  
38 the vehicle. If a claimant files a claim under RCW 46.12.680 during  
39 this additional time, a court may grant an additional continuance  
40 until that legal proceeding has ended.

1 (b) In addition, a vehicle impounded because the operator is in  
2 violation of RCW 46.20.342(1)(c) shall not be released until a person  
3 eligible to redeem it under (a) of this subsection satisfies the  
4 requirements of (f) of this subsection, including paying all towing,  
5 removal, and storage fees, notwithstanding the fact that the hold was  
6 ordered by a government agency. If the department's records show that  
7 the operator has been convicted of a violation of RCW 46.20.342 or a  
8 similar local ordinance within the past five years, the vehicle may  
9 be held for up to (~~thirty~~) 30 days at the written direction of the  
10 agency ordering the vehicle impounded. A vehicle impounded because  
11 the operator is arrested for a violation of RCW 46.20.342 may be  
12 released only pursuant to a written order from the agency that  
13 ordered the vehicle impounded or from the court having jurisdiction.  
14 An agency shall issue a written order to release pursuant to a  
15 provision of an applicable state agency rule or local ordinance  
16 authorizing release on the basis of the following:

17 (i) Economic or personal hardship to the spouse of the operator,  
18 taking into consideration public safety factors, including the  
19 operator's criminal history and driving record; or

20 (ii) The owner of the vehicle was not the driver, the owner did  
21 not know that the driver's license was suspended or revoked, and the  
22 owner has not received a prior release under this subsection or RCW  
23 46.55.113(3).

24 In order to avoid discriminatory application, other than for the  
25 reasons for release set forth in (b)(i) and (ii) of this subsection,  
26 an agency shall, under a provision of an applicable state agency rule  
27 or local ordinance, deny release in all other circumstances without  
28 discretion.

29 If a vehicle is impounded because the operator is in violation of  
30 RCW 46.20.342(1)(a) or (b), the vehicle may be held for up to thirty  
31 days at the written direction of the agency ordering the vehicle  
32 impounded. However, if the department's records show that the  
33 operator has been convicted of a violation of RCW 46.20.342(1)(a) or  
34 (b) or a similar local ordinance within the past five years, the  
35 vehicle may be held at the written direction of the agency ordering  
36 the vehicle impounded for up to (~~sixty~~) 60 days, and for up to  
37 (~~ninety~~) 90 days if the operator has two or more such prior  
38 offenses. If a vehicle is impounded because the operator is arrested  
39 for a violation of RCW 46.20.342, the vehicle may not be released  
40 until a person eligible to redeem it under (a) of this subsection

1 satisfies the requirements of (f) of this subsection, including  
2 paying all towing, removal, and storage fees, notwithstanding the  
3 fact that the hold was ordered by a government agency.

4 (c) If the vehicle is directed to be held for a suspended license  
5 impound, a person who desires to redeem the vehicle at the end of the  
6 period of impound shall within five days of the impound at the  
7 request of the tow truck operator pay a security deposit to the tow  
8 truck operator of not more than one-half of the applicable impound  
9 storage rate for each day of the proposed suspended license impound.  
10 The tow truck operator shall credit this amount against the final  
11 bill for removal, towing, and storage upon redemption. The tow truck  
12 operator may accept other sufficient security in lieu of the security  
13 deposit. If the person desiring to redeem the vehicle does not pay  
14 the security deposit or provide other security acceptable to the tow  
15 truck operator, the tow truck operator may process and sell at  
16 auction the vehicle as an abandoned vehicle within the normal time  
17 limits set out in RCW 46.55.130(1). The security deposit required by  
18 this section may be paid and must be accepted at any time up to  
19 (~~twenty-four~~) 24 hours before the beginning of the auction to sell  
20 the vehicle as abandoned. The registered owner is not eligible to  
21 purchase the vehicle at the auction, and the tow truck operator shall  
22 sell the vehicle to the highest bidder who is not the registered  
23 owner.

24 (d) Notwithstanding (c) of this subsection, a rental car business  
25 may immediately redeem a rental vehicle it owns by payment of the  
26 costs of removal, towing, and storage, whereupon the vehicle will not  
27 be held for a suspended license impound.

28 (e) Notwithstanding (c) of this subsection, a motor vehicle  
29 dealer or lender with a perfected security interest in the vehicle  
30 may redeem or lawfully repossess a vehicle immediately by payment of  
31 the costs of removal, towing, and storage, whereupon the vehicle will  
32 not be held for a suspended license impound. A motor vehicle dealer  
33 or lender with a perfected security interest in the vehicle may not  
34 knowingly and intentionally engage in collusion with a registered  
35 owner to repossess and then return or resell a vehicle to the  
36 registered owner in an attempt to avoid a suspended license impound.  
37 However, this provision does not preclude a vehicle dealer or a  
38 lender with a perfected security interest in the vehicle from  
39 repossessing the vehicle and then selling, leasing, or otherwise  
40 disposing of it in accordance with chapter 62A.9A RCW, including

1 providing redemption rights to the debtor under RCW 62A.9A-623. If  
2 the debtor is the registered owner of the vehicle, the debtor's right  
3 to redeem the vehicle under chapter 62A.9A RCW is conditioned upon  
4 the debtor obtaining and providing proof from the impounding  
5 authority or court having jurisdiction that any fines, penalties, and  
6 forfeitures owed by the registered owner, as a result of the  
7 suspended license impound, have been paid, and proof of the payment  
8 must be tendered to the vehicle dealer or lender at the time the  
9 debtor tenders all other obligations required to redeem the vehicle.  
10 Vehicle dealers or lenders are not liable for damages if they rely in  
11 good faith on an order from the impounding agency or a court in  
12 releasing a vehicle held under a suspended license impound.

13 (f) The vehicle or other item of personal property registered or  
14 titled with the department shall be released upon the presentation to  
15 any person having custody of the vehicle of commercially reasonable  
16 tender sufficient to cover the costs of towing, storage, or other  
17 services rendered during the course of towing, removing, impounding,  
18 or storing any such vehicle, with credit being given for the amount  
19 of any security deposit paid under (c) of this subsection. In  
20 addition, if a vehicle is impounded because the operator was arrested  
21 for a violation of RCW 46.20.342 or 46.20.345 and was being operated  
22 by the registered owner when it was impounded under local ordinance  
23 or agency rule, it must not be released to any person until the  
24 registered owner establishes with the agency that ordered the vehicle  
25 impounded or the court having jurisdiction that any penalties, fines,  
26 or forfeitures owed by him or her have been satisfied. Registered tow  
27 truck operators are not liable for damages if they rely in good faith  
28 on an order from the impounding agency or a court in releasing a  
29 vehicle held under a suspended license impound. Commercially  
30 reasonable tender shall include, without limitation, cash, major bank  
31 credit cards issued by financial institutions, or personal checks  
32 drawn on Washington state branches of financial institutions if  
33 accompanied by two pieces of valid identification, one of which may  
34 be required by the operator to have a photograph. If the towing firm  
35 cannot determine through the customer's bank or a check verification  
36 service that the presented check would be paid by the bank or  
37 guaranteed by the service, the towing firm may refuse to accept the  
38 check. Any person who stops payment on a personal check or credit  
39 card, or does not make restitution within (~~ten~~) 10 days from the  
40 date a check becomes insufficient due to lack of funds, to a towing

1 firm that has provided a service pursuant to this section or in any  
2 other manner defrauds the towing firm in connection with services  
3 rendered pursuant to this section shall be liable for damages in the  
4 amount of twice the towing and storage fees, plus costs and  
5 reasonable (~~attorney's~~) attorneys' fees.

6 (2)(a) The registered tow truck operator shall give to each  
7 person who seeks to redeem an impounded vehicle, or item of personal  
8 property registered or titled with the department, written notice of  
9 the right of redemption and opportunity for a hearing, which notice  
10 shall be accompanied by a form to be used for requesting a hearing,  
11 the name of the person or agency authorizing the impound, and a copy  
12 of the towing and storage invoice. The registered tow truck operator  
13 shall maintain a record evidenced by the redeeming person's signature  
14 that such notification was provided.

15 (b) Any person seeking to redeem an impounded vehicle under this  
16 section has a right to a hearing in the district or municipal court  
17 for the jurisdiction in which the vehicle was impounded to contest  
18 the validity of the impoundment or the amount of towing and storage  
19 charges. The district court has jurisdiction to determine the issues  
20 involving all impoundments including those authorized by the state or  
21 its agents. The municipal court has jurisdiction to determine the  
22 issues involving impoundments authorized by agents of the  
23 municipality. Any request for a hearing shall be made in writing on  
24 the form provided for that purpose and must be received by the  
25 appropriate court within (~~ten~~) 10 days of the date the opportunity  
26 was provided for in (a) of this subsection and more than five days  
27 before the date of the auction. The court may consider a late request  
28 for a hearing for good cause when the vehicle is used as a residence  
29 if the request is made in writing on a form provided for that purpose  
30 more than five days before the date of the auction. At the time of  
31 the filing of the hearing request, the petitioner shall pay to the  
32 court clerk a filing fee in the same amount required for the filing  
33 of a suit in district court. If the hearing request is not received  
34 by the court within the (~~ten-day~~) 10-day period or by the extended  
35 deadline authorized for a vehicle used as a residence, the right to a  
36 hearing is waived and the registered owner is liable for any towing,  
37 storage, or other impoundment charges permitted under this chapter.  
38 Upon receipt of a timely hearing request, the court shall proceed to  
39 hear and determine the validity of the impoundment.

1 (3) (a) The court, within five days after the request for a  
2 hearing, shall notify the registered tow truck operator, the person  
3 requesting the hearing if not the owner, the registered and legal  
4 owners of the vehicle or other item of personal property registered  
5 or titled with the department, and the person or agency authorizing  
6 the impound in writing of the hearing date and time.

7 (b) At the hearing, the person or persons requesting the hearing  
8 may produce any relevant evidence to show that the impoundment,  
9 towing, or storage fees charged were not proper. The court may  
10 consider a written report made under oath by the officer who  
11 authorized the impoundment in lieu of the officer's personal  
12 appearance at the hearing.

13 (c) At the conclusion of the hearing, the court shall determine  
14 whether the impoundment was proper, whether the towing or storage  
15 fees charged were in compliance with the posted rates, and who is  
16 responsible for payment of the fees.

17 (i) The court may not adjust fees or charges that are in  
18 compliance with the posted or contracted rates.

19 (ii) If the court finds that a vehicle is used as a residence,  
20 the court may consider the person's ability to pay the towing and  
21 storage fees charged and may reduce such fees if the court finds the  
22 person to be indigent. The department must pay the difference between  
23 the reduced fees and the tow truck operator's actual costs for the  
24 towing and storage if the tow truck operator applies for  
25 reimbursement to the department as authorized under section 2 of this  
26 act.

27 (d) If the impoundment is found proper, the impoundment, towing,  
28 and storage fees as permitted under this chapter together with court  
29 costs shall be assessed against the person or persons requesting the  
30 hearing, unless the operator did not have a signed and valid  
31 impoundment authorization from a private property owner or an  
32 authorized agent.

33 (e) If the impoundment is determined to be in violation of this  
34 chapter, then the registered and legal owners of the vehicle or other  
35 item of personal property registered or titled with the department  
36 shall bear no impoundment, towing, or storage fees, and any security  
37 shall be returned or discharged as appropriate, and the person or  
38 agency who authorized the impoundment shall be liable for any towing,  
39 storage, or other impoundment fees permitted under this chapter. The  
40 court shall enter judgment in favor of the registered tow truck

1 operator against the person or agency authorizing the impound for the  
2 impoundment, towing, and storage fees paid. In addition, the court  
3 shall enter judgment in favor of the registered and legal owners of  
4 the vehicle, or other item of personal property registered or titled  
5 with the department, for the amount of the filing fee required by law  
6 for the impound hearing petition as well as reasonable damages for  
7 loss of the use of the vehicle during the time the same was impounded  
8 against the person or agency authorizing the impound. However, if an  
9 impoundment arising from an alleged violation of RCW 46.20.342 or  
10 46.20.345 is determined to be in violation of this chapter, then the  
11 law enforcement officer directing the impoundment and the government  
12 employing the officer are not liable for damages if the officer  
13 relied in good faith and without gross negligence on the records of  
14 the department in ascertaining that the operator of the vehicle had a  
15 suspended or revoked driver's license. If any judgment entered is not  
16 paid within (~~fifteen~~) 15 days of notice in writing of its entry,  
17 the court shall award reasonable attorneys' fees and costs against  
18 the defendant in any action to enforce the judgment. Notice of entry  
19 of judgment may be made by registered or certified mail, and proof of  
20 mailing may be made by affidavit of the party mailing the notice.  
21 Notice of the entry of the judgment shall read essentially as  
22 follows:

23 TO: . . . . .  
24 YOU ARE HEREBY NOTIFIED JUDGMENT was entered against you in  
25 the . . . . . Court located at . . . . . in the sum of  
26 \$. . . . ., in an action entitled . . . . ., Case  
27 No. . . . . YOU ARE FURTHER NOTIFIED that attorneys fees and  
28 costs will be awarded against you under RCW . . . if the  
29 judgment is not paid within 15 days of the date of this  
30 notice.  
31 DATED this . . . . day of . . . . ., (year) . . .  
32 Signature . . . . .  
33 Typed name and address  
34 of party mailing notice

35 (4) Any impounded abandoned vehicle or item of personal property  
36 registered or titled with the department that is not redeemed within  
37 (~~fifteen~~) 15 days of mailing of the notice of custody and sale as  
38 required by RCW 46.55.110(3) shall be sold at public auction in  
39 accordance with all the provisions and subject to all the conditions

1 of RCW 46.55.130. A vehicle or item of personal property registered  
2 or titled with the department may be redeemed at any time before the  
3 start of the auction upon payment of the applicable towing and  
4 storage fees.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.53  
6 RCW to read as follows:

7 (1) If a court reduces towing and storage fees of a vehicle used  
8 as a residence by a person found to be indigent by the court, the  
9 registered tow truck operator may apply to the department on a form  
10 prescribed by the department for costs reimbursement to pay the  
11 difference between any reduced towing and storage fees and the tow  
12 truck operator's actual costs for the towing and storage.

13 (2) The department may only use funds as authorized under section  
14 3 of this act for costs reimbursement of a vehicle used as a  
15 residence. If at any time funds do not exist in the indigent impound  
16 account to reimburse claims submitted under subsection (1) of this  
17 section, the department must create and maintain a waitlist and  
18 distribute funds in the order the claims are received. Payment of any  
19 claims on the waitlist must be made only from the indigent impound  
20 account. As reimbursements from impounding authorities are deposited  
21 into the account as required under subsection (3) of this section,  
22 the department may distribute such funds at that time. The department  
23 is not civilly or criminally liable and may not have any penalty or  
24 cause of action of any nature arise against it regarding the  
25 provision or lack of provision of funds for reimbursement.

26 (3) The department must seek reimbursement from the impounding  
27 authority for any cost reimbursement paid to a registered tow truck  
28 operator using funds authorized under section 3 of this act. Any  
29 repayment made by an impounding authority to the department must be  
30 deposited into the indigent impound account created under section 3  
31 of this act.

32 NEW SECTION. **Sec. 3.** A new section is added to chapter 46.68  
33 RCW to read as follows:

34 The indigent impound account is created in the state treasury.  
35 Revenues to the account must consist of appropriations by the  
36 legislature, any gifts, grants, and endowments from public or private  
37 sources, and reimbursements to the department from impounding  
38 authorities under section 2(3) of this act. Moneys in the account may

1 be spent only after appropriation. Expenditures from the account may  
2 be used only to pay the difference between any reduced towing and  
3 storage fees and a tow truck operator's actual costs for the towing  
4 and storage of a vehicle used as a residence as described under  
5 section 2 of this act.

6 **Sec. 4.** RCW 43.84.092 and 2022 c 182 s 403 are each amended to  
7 read as follows:

8 (1) All earnings of investments of surplus balances in the state  
9 treasury shall be deposited to the treasury income account, which  
10 account is hereby established in the state treasury.

11 (2) The treasury income account shall be utilized to pay or  
12 receive funds associated with federal programs as required by the  
13 federal cash management improvement act of 1990. The treasury income  
14 account is subject in all respects to chapter 43.88 RCW, but no  
15 appropriation is required for refunds or allocations of interest  
16 earnings required by the cash management improvement act. Refunds of  
17 interest to the federal treasury required under the cash management  
18 improvement act fall under RCW 43.88.180 and shall not require  
19 appropriation. The office of financial management shall determine the  
20 amounts due to or from the federal government pursuant to the cash  
21 management improvement act. The office of financial management may  
22 direct transfers of funds between accounts as deemed necessary to  
23 implement the provisions of the cash management improvement act, and  
24 this subsection. Refunds or allocations shall occur prior to the  
25 distributions of earnings set forth in subsection (4) of this  
26 section.

27 (3) Except for the provisions of RCW 43.84.160, the treasury  
28 income account may be utilized for the payment of purchased banking  
29 services on behalf of treasury funds including, but not limited to,  
30 depository, safekeeping, and disbursement functions for the state  
31 treasury and affected state agencies. The treasury income account is  
32 subject in all respects to chapter 43.88 RCW, but no appropriation is  
33 required for payments to financial institutions. Payments shall occur  
34 prior to distribution of earnings set forth in subsection (4) of this  
35 section.

36 (4) Monthly, the state treasurer shall distribute the earnings  
37 credited to the treasury income account. The state treasurer shall  
38 credit the general fund with all the earnings credited to the  
39 treasury income account except:

1 (a) The following accounts and funds shall receive their  
2 proportionate share of earnings based upon each account's and fund's  
3 average daily balance for the period: The abandoned recreational  
4 vehicle disposal account, the aeronautics account, the Alaskan Way  
5 viaduct replacement project account, the ambulance transport fund,  
6 the brownfield redevelopment trust fund account, the budget  
7 stabilization account, the capital vessel replacement account, the  
8 capitol building construction account, the Central Washington  
9 University capital projects account, the charitable, educational,  
10 penal and reformatory institutions account, the Chehalis basin  
11 account, the Chehalis basin taxable account, the cleanup settlement  
12 account, the climate active transportation account, the climate  
13 transit programs account, the Columbia river basin water supply  
14 development account, the Columbia river basin taxable bond water  
15 supply development account, the Columbia river basin water supply  
16 revenue recovery account, the common school construction fund, the  
17 community forest trust account, the connecting Washington account,  
18 the county arterial preservation account, the county criminal justice  
19 assistance account, the deferred compensation administrative account,  
20 the deferred compensation principal account, the department of  
21 licensing services account, the department of retirement systems  
22 expense account, the developmental disabilities community services  
23 account, the diesel idle reduction account, the drinking water  
24 assistance account, the administrative subaccount of the drinking  
25 water assistance account, the early learning facilities development  
26 account, the early learning facilities revolving account, the Eastern  
27 Washington University capital projects account, the education  
28 construction fund, the education legacy trust account, the election  
29 account, the electric vehicle account, the energy freedom account,  
30 the energy recovery act account, the essential rail assistance  
31 account, The Evergreen State College capital projects account, the  
32 fair start for kids account, the ferry bond retirement fund, the  
33 fish, wildlife, and conservation account, the freight mobility  
34 investment account, the freight mobility multimodal account, the  
35 grade crossing protective fund, the public health services account,  
36 the state higher education construction account, the higher education  
37 construction account, the higher education retirement plan  
38 supplemental benefit fund, the highway bond retirement fund, the  
39 highway infrastructure account, the highway safety fund, the hospital  
40 safety net assessment fund, the indigent impound account, the

1 Interstate 405 and state route number 167 express toll lanes account,  
2 the judges' retirement account, the judicial retirement  
3 administrative account, the judicial retirement principal account,  
4 the limited fish and wildlife account, the local leasehold excise tax  
5 account, the local real estate excise tax account, the local sales  
6 and use tax account, the marine resources stewardship trust account,  
7 the medical aid account, the money-purchase retirement savings  
8 administrative account, the money-purchase retirement savings  
9 principal account, the motor vehicle fund, the motorcycle safety  
10 education account, the move ahead WA account, the move ahead WA  
11 flexible account, the multimodal transportation account, the multiuse  
12 roadway safety account, the municipal criminal justice assistance  
13 account, the oyster reserve land account, the pension funding  
14 stabilization account, the perpetual surveillance and maintenance  
15 account, the pilotage account, the pollution liability insurance  
16 agency underground storage tank revolving account, the public  
17 employees' retirement system plan 1 account, the public employees'  
18 retirement system combined plan 2 and plan 3 account, the public  
19 facilities construction loan revolving account, the public health  
20 supplemental account, the public works assistance account, the Puget  
21 Sound capital construction account, the Puget Sound ferry operations  
22 account, the Puget Sound Gateway facility account, the Puget Sound  
23 taxpayer accountability account, the real estate appraiser commission  
24 account, the recreational vehicle account, the regional mobility  
25 grant program account, the resource management cost account, the  
26 rural arterial trust account, the rural mobility grant program  
27 account, the rural Washington loan fund, the sexual assault  
28 prevention and response account, the site closure account, the  
29 skilled nursing facility safety net trust fund, the small city  
30 pavement and sidewalk account, the special category C account, the  
31 special wildlife account, the state investment board expense account,  
32 the state investment board commingled trust fund accounts, the state  
33 patrol highway account, the state reclamation revolving account, the  
34 state route number 520 civil penalties account, the state route  
35 number 520 corridor account, the statewide broadband account, the  
36 statewide tourism marketing account, the supplemental pension  
37 account, the Tacoma Narrows toll bridge account, the teachers'  
38 retirement system plan 1 account, the teachers' retirement system  
39 combined plan 2 and plan 3 account, the tobacco prevention and  
40 control account, the tobacco settlement account, the toll facility

1 bond retirement account, the transportation 2003 account (nickel  
2 account), the transportation equipment fund, the transportation  
3 future funding program account, the transportation improvement  
4 account, the transportation improvement board bond retirement  
5 account, the transportation infrastructure account, the  
6 transportation partnership account, the traumatic brain injury  
7 account, the University of Washington bond retirement fund, the  
8 University of Washington building account, the voluntary cleanup  
9 account, the volunteer firefighters' and reserve officers' relief and  
10 pension principal fund, the volunteer firefighters' and reserve  
11 officers' administrative fund, the vulnerable roadway user education  
12 account, the Washington judicial retirement system account, the  
13 Washington law enforcement officers' and firefighters' system plan 1  
14 retirement account, the Washington law enforcement officers' and  
15 firefighters' system plan 2 retirement account, the Washington public  
16 safety employees' plan 2 retirement account, the Washington school  
17 employees' retirement system combined plan 2 and 3 account, the  
18 Washington state patrol retirement account, the Washington State  
19 University building account, the Washington State University bond  
20 retirement fund, the water pollution control revolving administration  
21 account, the water pollution control revolving fund, the Western  
22 Washington University capital projects account, the Yakima integrated  
23 plan implementation account, the Yakima integrated plan  
24 implementation revenue recovery account, and the Yakima integrated  
25 plan implementation taxable bond account. Earnings derived from  
26 investing balances of the agricultural permanent fund, the normal  
27 school permanent fund, the permanent common school fund, the  
28 scientific permanent fund, and the state university permanent fund  
29 shall be allocated to their respective beneficiary accounts.

30 (b) Any state agency that has independent authority over accounts  
31 or funds not statutorily required to be held in the state treasury  
32 that deposits funds into a fund or account in the state treasury  
33 pursuant to an agreement with the office of the state treasurer shall  
34 receive its proportionate share of earnings based upon each account's  
35 or fund's average daily balance for the period.

36 (5) In conformance with Article II, section 37 of the state  
37 Constitution, no treasury accounts or funds shall be allocated  
38 earnings without the specific affirmative directive of this section.

1       **Sec. 5.** RCW 43.84.092 and 2022 c 182 s 404 are each amended to  
2 read as follows:

3       (1) All earnings of investments of surplus balances in the state  
4 treasury shall be deposited to the treasury income account, which  
5 account is hereby established in the state treasury.

6       (2) The treasury income account shall be utilized to pay or  
7 receive funds associated with federal programs as required by the  
8 federal cash management improvement act of 1990. The treasury income  
9 account is subject in all respects to chapter 43.88 RCW, but no  
10 appropriation is required for refunds or allocations of interest  
11 earnings required by the cash management improvement act. Refunds of  
12 interest to the federal treasury required under the cash management  
13 improvement act fall under RCW 43.88.180 and shall not require  
14 appropriation. The office of financial management shall determine the  
15 amounts due to or from the federal government pursuant to the cash  
16 management improvement act. The office of financial management may  
17 direct transfers of funds between accounts as deemed necessary to  
18 implement the provisions of the cash management improvement act, and  
19 this subsection. Refunds or allocations shall occur prior to the  
20 distributions of earnings set forth in subsection (4) of this  
21 section.

22       (3) Except for the provisions of RCW 43.84.160, the treasury  
23 income account may be utilized for the payment of purchased banking  
24 services on behalf of treasury funds including, but not limited to,  
25 depository, safekeeping, and disbursement functions for the state  
26 treasury and affected state agencies. The treasury income account is  
27 subject in all respects to chapter 43.88 RCW, but no appropriation is  
28 required for payments to financial institutions. Payments shall occur  
29 prior to distribution of earnings set forth in subsection (4) of this  
30 section.

31       (4) Monthly, the state treasurer shall distribute the earnings  
32 credited to the treasury income account. The state treasurer shall  
33 credit the general fund with all the earnings credited to the  
34 treasury income account except:

35       (a) The following accounts and funds shall receive their  
36 proportionate share of earnings based upon each account's and fund's  
37 average daily balance for the period: The abandoned recreational  
38 vehicle disposal account, the aeronautics account, the Alaskan Way  
39 viaduct replacement project account, the brownfield redevelopment  
40 trust fund account, the budget stabilization account, the capital

1 vessel replacement account, the capitol building construction  
2 account, the Central Washington University capital projects account,  
3 the charitable, educational, penal and reformatory institutions  
4 account, the Chehalis basin account, the Chehalis basin taxable  
5 account, the cleanup settlement account, the climate active  
6 transportation account, the climate transit programs account, the  
7 Columbia river basin water supply development account, the Columbia  
8 river basin taxable bond water supply development account, the  
9 Columbia river basin water supply revenue recovery account, the  
10 common school construction fund, the community forest trust account,  
11 the connecting Washington account, the county arterial preservation  
12 account, the county criminal justice assistance account, the deferred  
13 compensation administrative account, the deferred compensation  
14 principal account, the department of licensing services account, the  
15 department of retirement systems expense account, the developmental  
16 disabilities community services account, the diesel idle reduction  
17 account, the drinking water assistance account, the administrative  
18 subaccount of the drinking water assistance account, the early  
19 learning facilities development account, the early learning  
20 facilities revolving account, the Eastern Washington University  
21 capital projects account, the education construction fund, the  
22 education legacy trust account, the election account, the electric  
23 vehicle account, the energy freedom account, the energy recovery act  
24 account, the essential rail assistance account, The Evergreen State  
25 College capital projects account, the fair start for kids account,  
26 the ferry bond retirement fund, the fish, wildlife, and conservation  
27 account, the freight mobility investment account, the freight  
28 mobility multimodal account, the grade crossing protective fund, the  
29 public health services account, the state higher education  
30 construction account, the higher education construction account, the  
31 higher education retirement plan supplemental benefit fund, the  
32 highway bond retirement fund, the highway infrastructure account, the  
33 highway safety fund, the hospital safety net assessment fund, the  
34 indigent impound account, the Interstate 405 and state route number  
35 167 express toll lanes account, the judges' retirement account, the  
36 judicial retirement administrative account, the judicial retirement  
37 principal account, the limited fish and wildlife account, the local  
38 leasehold excise tax account, the local real estate excise tax  
39 account, the local sales and use tax account, the marine resources  
40 stewardship trust account, the medical aid account, the money-

1 purchase retirement savings administrative account, the money-  
2 purchase retirement savings principal account, the motor vehicle  
3 fund, the motorcycle safety education account, the move ahead WA  
4 account, the move ahead WA flexible account, the multimodal  
5 transportation account, the multiuse roadway safety account, the  
6 municipal criminal justice assistance account, the oyster reserve  
7 land account, the pension funding stabilization account, the  
8 perpetual surveillance and maintenance account, the pilotage account,  
9 the pollution liability insurance agency underground storage tank  
10 revolving account, the public employees' retirement system plan 1  
11 account, the public employees' retirement system combined plan 2 and  
12 plan 3 account, the public facilities construction loan revolving  
13 account, the public health supplemental account, the public works  
14 assistance account, the Puget Sound capital construction account, the  
15 Puget Sound ferry operations account, the Puget Sound Gateway  
16 facility account, the Puget Sound taxpayer accountability account,  
17 the real estate appraiser commission account, the recreational  
18 vehicle account, the regional mobility grant program account, the  
19 resource management cost account, the rural arterial trust account,  
20 the rural mobility grant program account, the rural Washington loan  
21 fund, the sexual assault prevention and response account, the site  
22 closure account, the skilled nursing facility safety net trust fund,  
23 the small city pavement and sidewalk account, the special category C  
24 account, the special wildlife account, the state investment board  
25 expense account, the state investment board commingled trust fund  
26 accounts, the state patrol highway account, the state reclamation  
27 revolving account, the state route number 520 civil penalties  
28 account, the state route number 520 corridor account, the statewide  
29 broadband account, the statewide tourism marketing account, the  
30 supplemental pension account, the Tacoma Narrows toll bridge account,  
31 the teachers' retirement system plan 1 account, the teachers'  
32 retirement system combined plan 2 and plan 3 account, the tobacco  
33 prevention and control account, the tobacco settlement account, the  
34 toll facility bond retirement account, the transportation 2003  
35 account (nickel account), the transportation equipment fund, the  
36 transportation future funding program account, the transportation  
37 improvement account, the transportation improvement board bond  
38 retirement account, the transportation infrastructure account, the  
39 transportation partnership account, the traumatic brain injury  
40 account, the University of Washington bond retirement fund, the

1 University of Washington building account, the voluntary cleanup  
2 account, the volunteer firefighters' and reserve officers' relief and  
3 pension principal fund, the volunteer firefighters' and reserve  
4 officers' administrative fund, the vulnerable roadway user education  
5 account, the Washington judicial retirement system account, the  
6 Washington law enforcement officers' and firefighters' system plan 1  
7 retirement account, the Washington law enforcement officers' and  
8 firefighters' system plan 2 retirement account, the Washington public  
9 safety employees' plan 2 retirement account, the Washington school  
10 employees' retirement system combined plan 2 and 3 account, the  
11 Washington state patrol retirement account, the Washington State  
12 University building account, the Washington State University bond  
13 retirement fund, the water pollution control revolving administration  
14 account, the water pollution control revolving fund, the Western  
15 Washington University capital projects account, the Yakima integrated  
16 plan implementation account, the Yakima integrated plan  
17 implementation revenue recovery account, and the Yakima integrated  
18 plan implementation taxable bond account. Earnings derived from  
19 investing balances of the agricultural permanent fund, the normal  
20 school permanent fund, the permanent common school fund, the  
21 scientific permanent fund, and the state university permanent fund  
22 shall be allocated to their respective beneficiary accounts.

23 (b) Any state agency that has independent authority over accounts  
24 or funds not statutorily required to be held in the state treasury  
25 that deposits funds into a fund or account in the state treasury  
26 pursuant to an agreement with the office of the state treasurer shall  
27 receive its proportionate share of earnings based upon each account's  
28 or fund's average daily balance for the period.

29 (5) In conformance with Article II, section 37 of the state  
30 Constitution, no treasury accounts or funds shall be allocated  
31 earnings without the specific affirmative directive of this section.

32 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act take  
33 effect January 1, 2024.

34 NEW SECTION. **Sec. 7.** Section 4 of this act expires July 1,  
35 2024.

1        NEW SECTION.    **Sec. 8.**    Section 5 of this act takes effect July 1,  
2    2024.

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